

MORNING REPORT

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Top News

KEY FACTORS IMPACTING KEY OVERSEAS

U.S. stock experienced some of their steepest single-day declines of the year on Monday as the recent rise in the Covid-19 infections worried markets of an economic slowdown. Infections have jumped 70%.

The Dow Jones Industrial Average fell 2.09% the worst session of 2021. While the S&P 500 and the Nasdaq Composite declined 1.58% and 1.06%, respectively, the worst fall since May.

Investors sought safety in the U.S. Treasury market with the yield on the 10-year note falling 10 basis points to 1.18%, the lowest since March of 2020. Banking stocks and stocks linked to ongoing economic recovery experienced large drops.

Other overseas markets were sharply lower. European bourses were sharply lower with Germany's DAX 2.62%, France's CAC 40 2.54%, and Britain's FTSE 100, 2.34% down respectively. In Asia, Hong Kong's Hang Seng index and Japan's Nikkei 225 fell 1.84% and 1.25% respectively. China's Shanghai Composite was little changed.

West Texas Intermediate crude oil tumbled \$5.39 to \$66.42 a barrel, the lowest since May 28, after OPEC members and some non-OPEC members agreed to increase production 2 million barrels per day from August.

SOME KEY FACTORS IMPACTING NZX & ASX YESTERDAY

Australian shares closed lower on Monday, with major sub-indexes registering losses, as a surge in Delta variant cases in Australia and overseas increased concerns about economic recovery. The S&P/ASX 200 index ended down 0.8% at 7,286 points, after falling as much as 1.4%. The metals and mining index were both down 2.7%. BHP Group, Rio Tinto and Fortescue fell between 2.6% and 1.4%. Weak iron ore prices weighed on the sector. Energy ASX 200 Energy index fell 2.1% on the back of the OPEC agreement to increase production. The banks led by the big four also came under pressure. The "Big Four" banks shed between 0.5% and 1.2%. However, Health stocks closed 1.6% higher.

The New Zealand S&P/NZX 50 index closed marginally lower at 12,652.09 points, a 0.2% drop.

News of Covid-19 infected crew aboard a ship at South Port caused its share price to drop 2.8%. Port of Napier shares also fell 3.6%. However, Port of Tauranga increased 1.5%. Tourism Holdings, SkyCity and Air New Zealand were down 3.6%, 3% and 1.3% respectively. Both Z Energy and NZ Refining were up 0.7% and 1.2% respectively.

NZX Index

Index	Last	Change
S&P/NZX All Index	13,824.10	20.20 ▼ 0.15%
S&P/NZX 50 Portfolio Index	8,063.84	26.93 ▼ 0.33%
S&P/NZX MidCap Index	35,866.59	173.40 ▼ 0.48%
S&P/NZX SmallCap Index	92,399.75	30.02 ▼ 0.03%

ASX Index

Index	Last	Change
ASX All Ordinaries	7,559.70	71.00 ▼ 0.93%
S&P/ASX 200	7,286.00	62.10 ▼ 0.85%
ASX Small Ordinaries	3,336.20	55.40 ▼ 1.63%
S&P/ASX MIDCAP 50	8,884.00	128.40 ▼ 1.42%
S&P/ASX 20	4,101.80	26.50 ▼ 0.64%

Foreign Markets Index

	Last	Change
S&P 500	4,258.49	68.67 ▼ 1.59%
Dow Jones Industrial Average	33,962.04	725.81 ▼ 2.09%
NASDAQ Composite	14,274.98	152.25 ▼ 1.06%
FTSE 100	6,844.39	163.70 ▼ 2.34%
ASX All Ordinaries	7,559.70	71.00 ▼ 0.93%
NIKKEI 225	27,652.74	350.34 ▼ 1.25%
HANG SENG INDEX	27,489.78	514.90 ▼ 1.84%

Currencies (per NZ\$ 1.00)

	Last	Change
AUD	0.9447	0.0019 ▼ 0.20%
USD	0.6933	0.0070 ▼ 1.00%
CNY	4.4981	0.0388 ▼ 0.86%
EUR	0.5876	0.0052 ▼ 0.88%
CAD	0.8838	0.0003 ▲ 0.03%
GBP	0.5071	0.0007 ▼ 0.14%
JPY	75.9061	1.1698 ▼ 1.52%

US 10 Year Treasury Yield

US 10YR	1.50%
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NZ Interest Rates

	Last
NZ OCR	0.25
90-day Bank Bill	0.33
5y Bank Bill	1.13
10y Bank Bill	1.69
Swap rate spread close (bps)	96

Commodities Futures (Spot Price \$USD)

	Last	Change
Gold	1,813.20	1.80 ▼ 0.10%
Silver	25.23	0.57 ▼ 2.21%
Crude Oil	66.50	5.31 ▼ 7.39%

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